

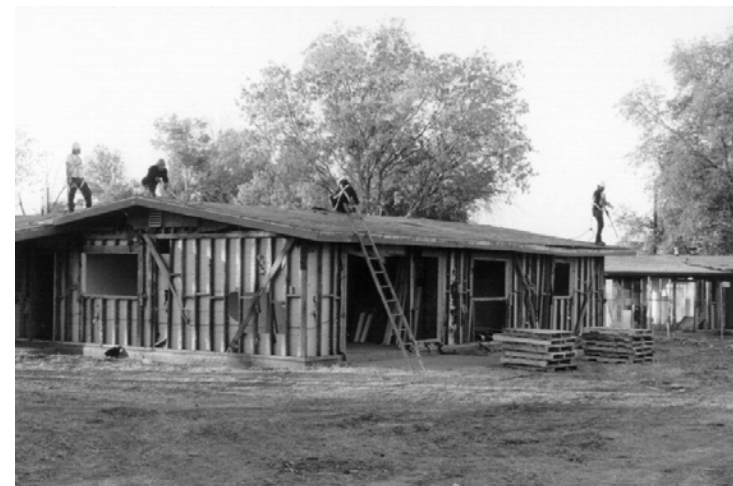
A large, light green silhouette of a person's head and shoulders is positioned on the left side of the slide. The silhouette is filled with a pattern of white, irregular shapes that resemble architectural floor plans or building footprints. The person appears to be looking towards the right.

# Building Removal Program

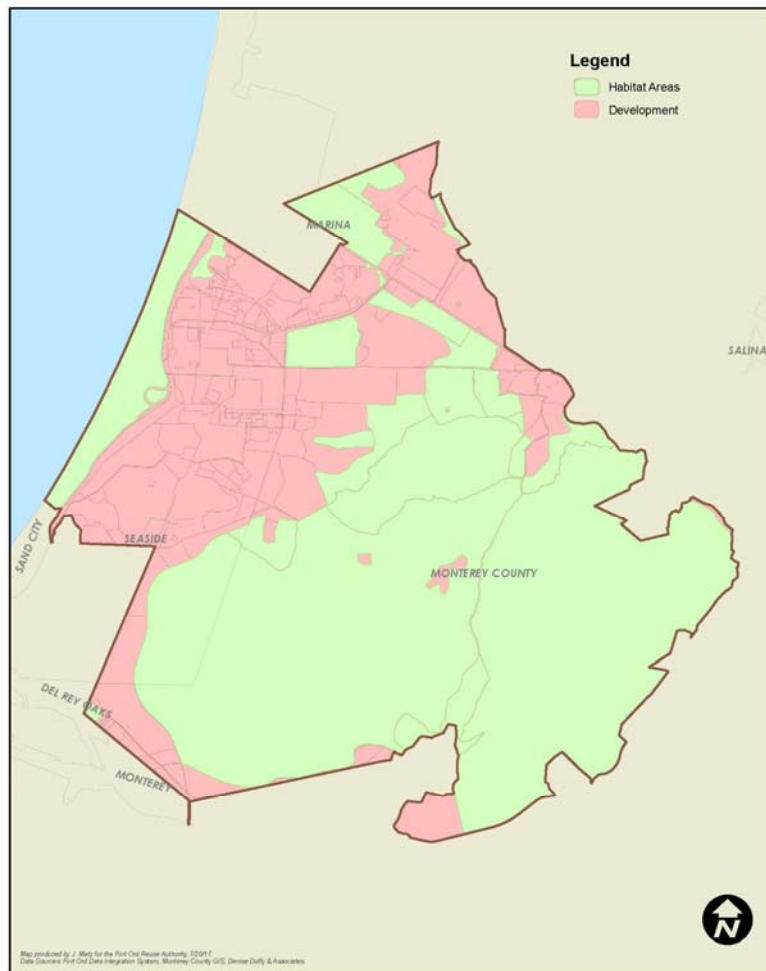
*Jonathan Brinkmann  
Principal Planner  
April 4, 2018*

# Overview – Building Removal

- History
- FORA Removal Actions
- Current Status
- Financing
- Future



# Fort Ord Closure to Reuse



**Figure 1**  
Former Fort Ord Land Use Designations

Land Use	Acres
Habitat Management	17,179
Parks & Open Space	2,014
Visitor Serving	808
Public facilities (including military)	1,072
CSUMB	1,292
POM Annex	782
Rights of Way	1,161
Business Park, Light Industrial, Office, R&D, Retail, Residential	3,571
<b>Total</b>	<b>27,879</b>

# Fort Ord Buildings

- **4,000 Buildings** over 100 SF
- **Issues:**
  - Seismic non-compliance
  - UBC/Foundation non-compliance
  - Outdated infrastructure
  - Hazardous Materials
- **Hazards:**
  - Asbestos
  - Lead-based Paint
  - Other HazMat
- **As Is - Where Is**

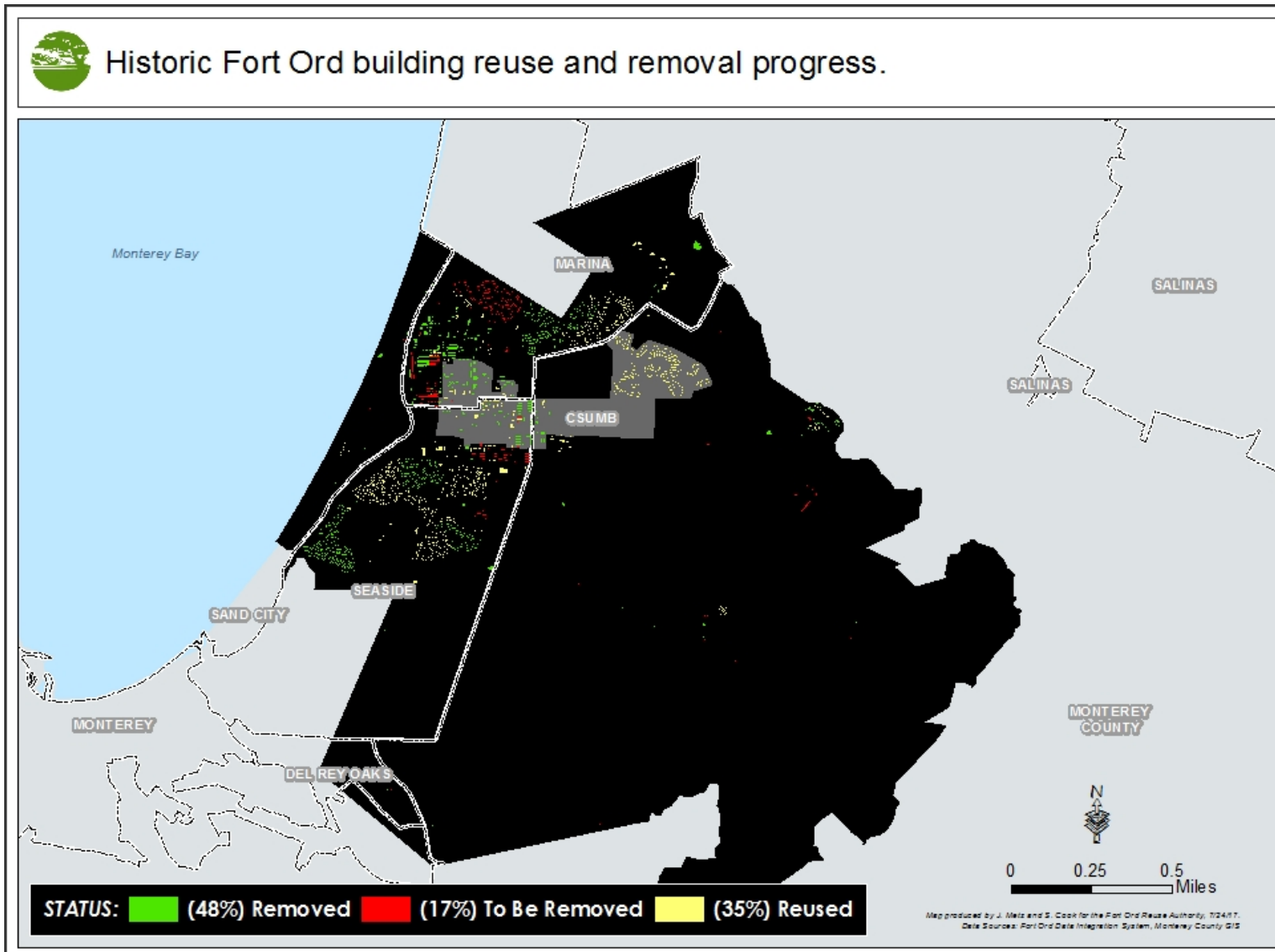


# Building Removal Challenges

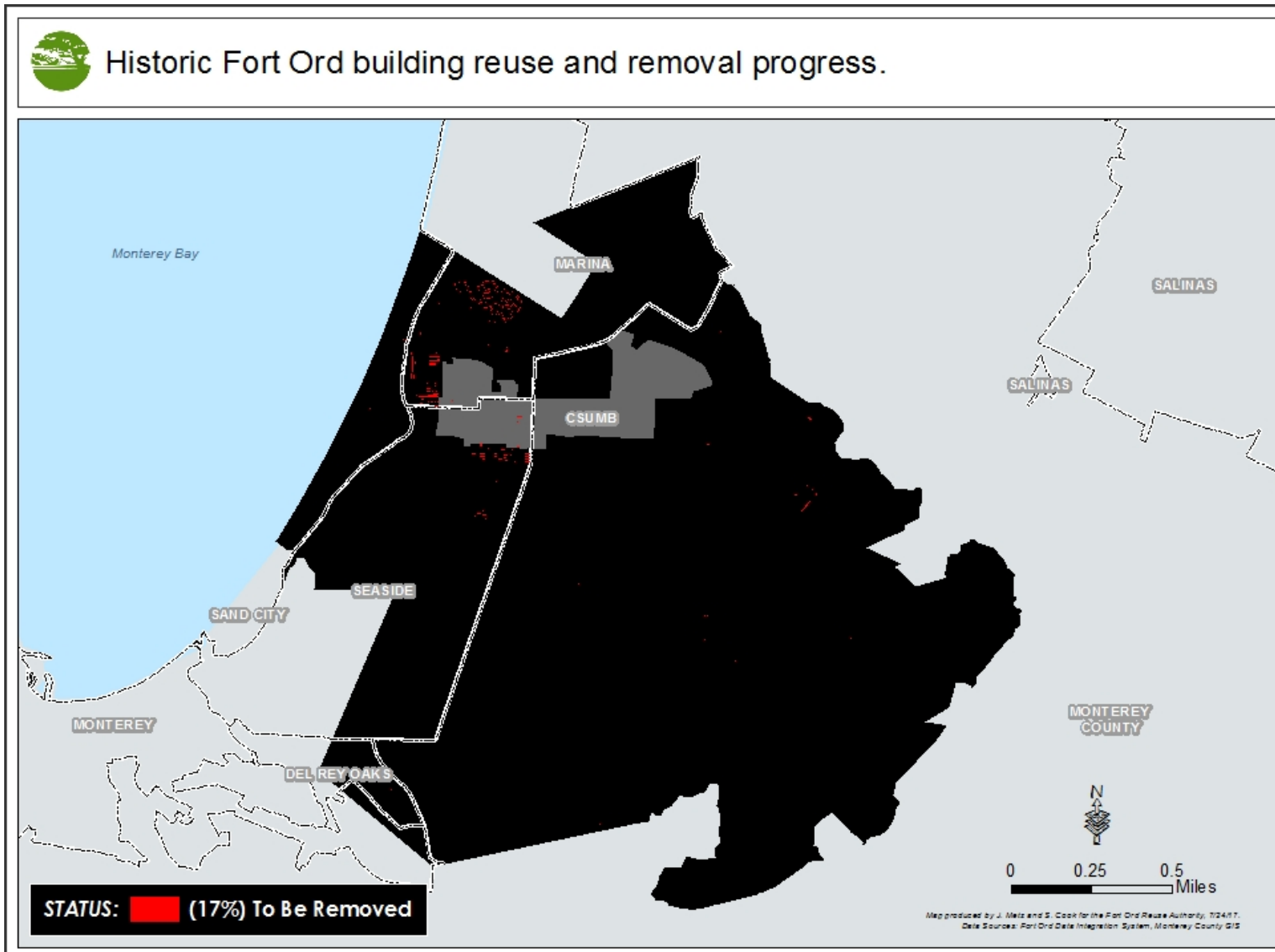
- Asbestos
- Lead Based Paint
- Other Hazmat
- Inaccurate Drawings
- Maintenance HazMat Surveys
- Number of Buildings



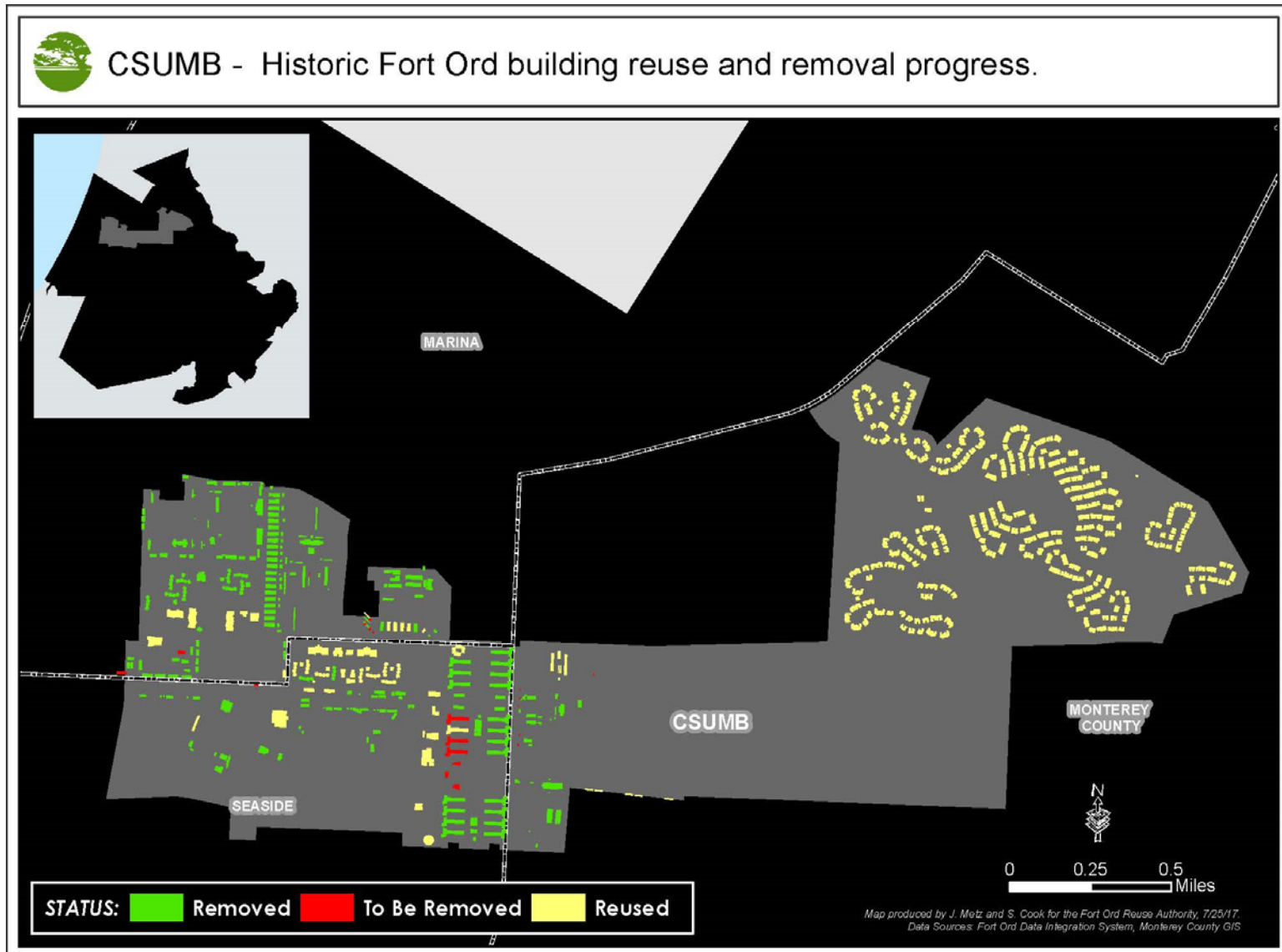
# Building Removal Status Map



# Building Removal Status Map

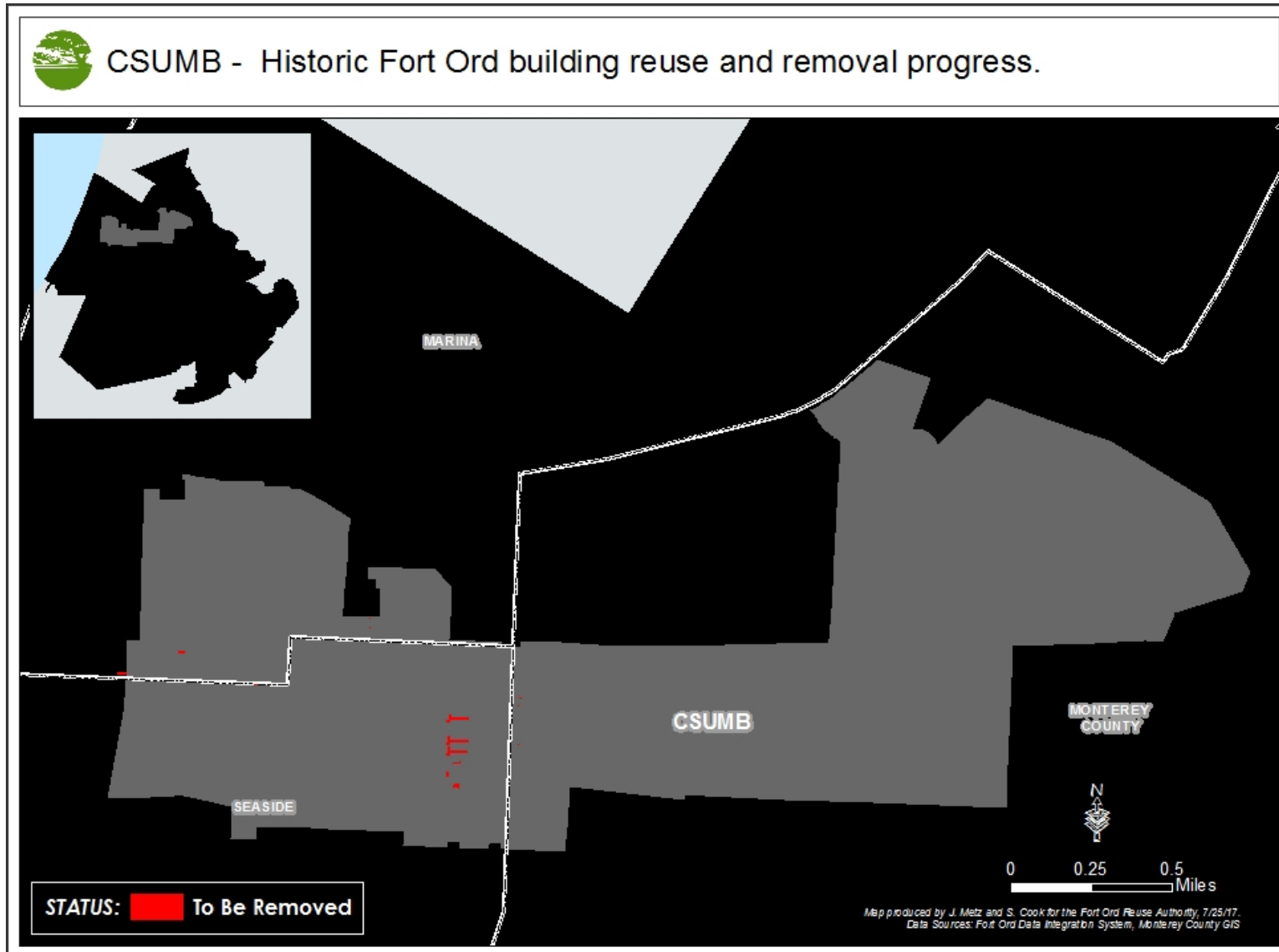


# Building Removal Status - CSUMB

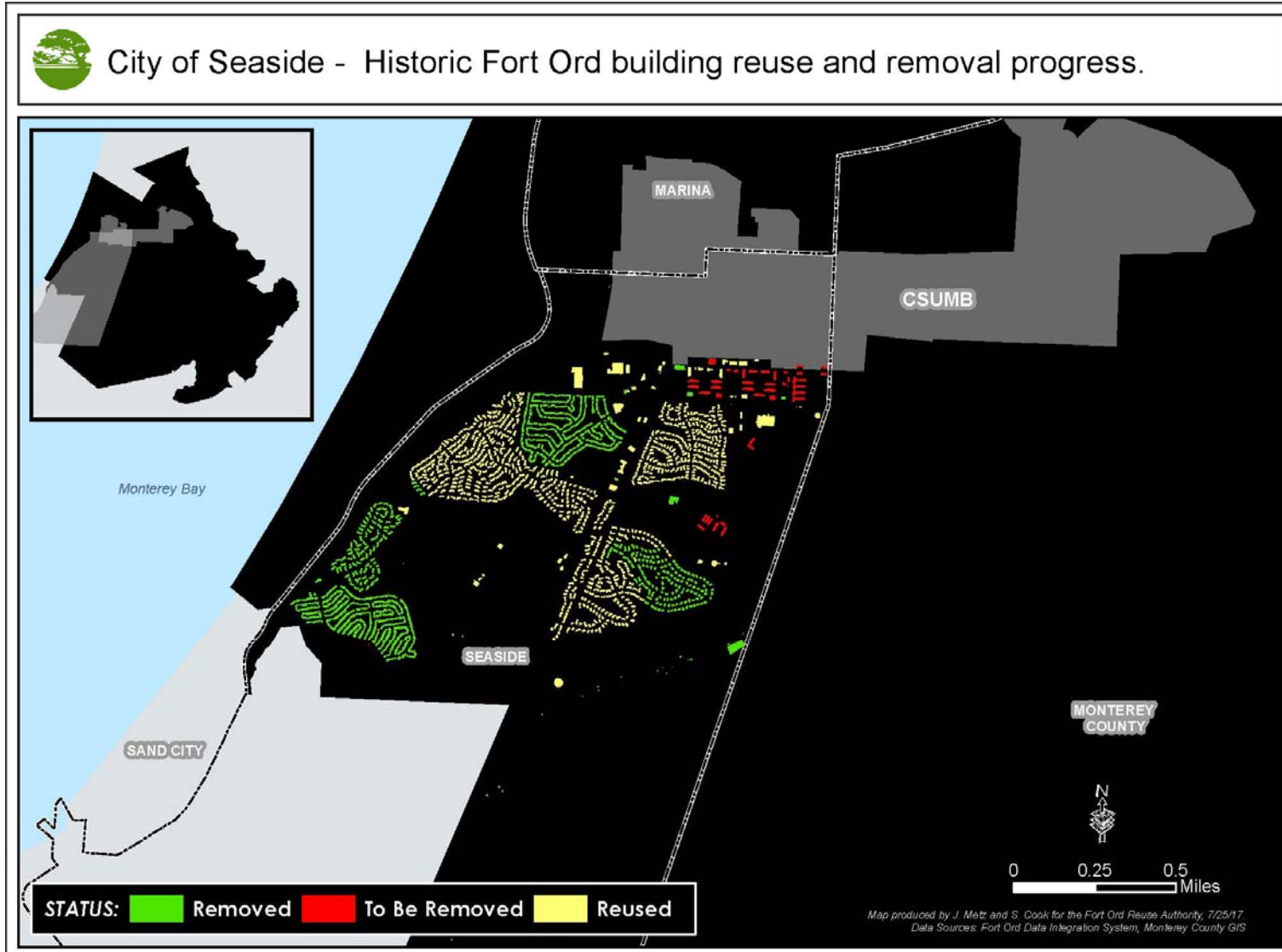




# Building Removal Status - CSUMB



# Building Removal Status - Seaside



# Building Removal Status - Seaside



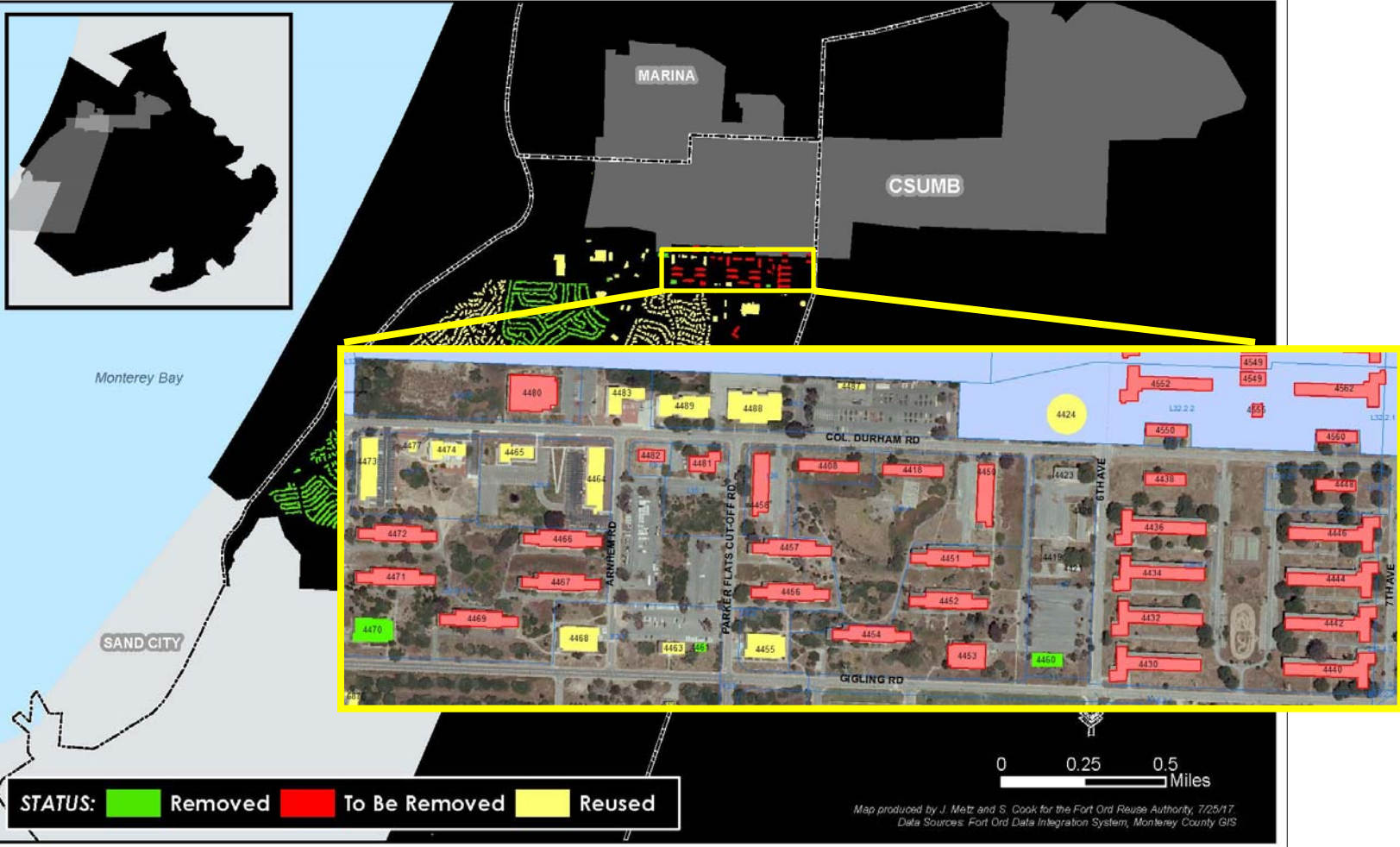
City of Seaside - Historic Fort Ord building reuse and removal progress.



# Surplus II (Seaside)



City of Seaside - Historic Fort Ord building reuse and removal progress.

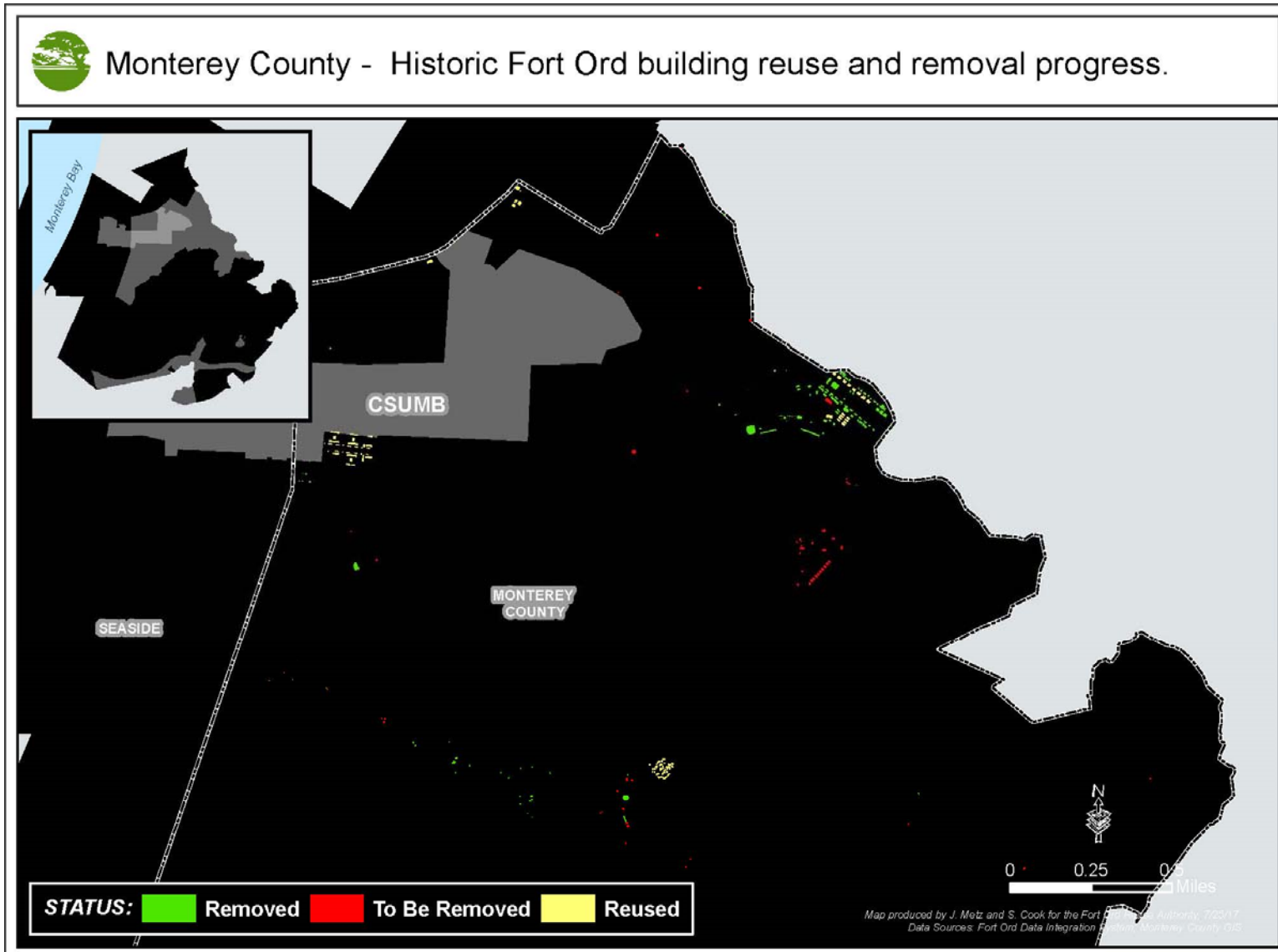


# Surplus II Status

- **Recent Progress**
  - Seaside Coordination
  - Industrial Hygienist Surveys Complete
  - Understand removal scope/cost
- **Next Steps**
  - Solicit Removal Contractor(s)
  - Remove 17 of 27 Buildings
  - Target Summer 2018



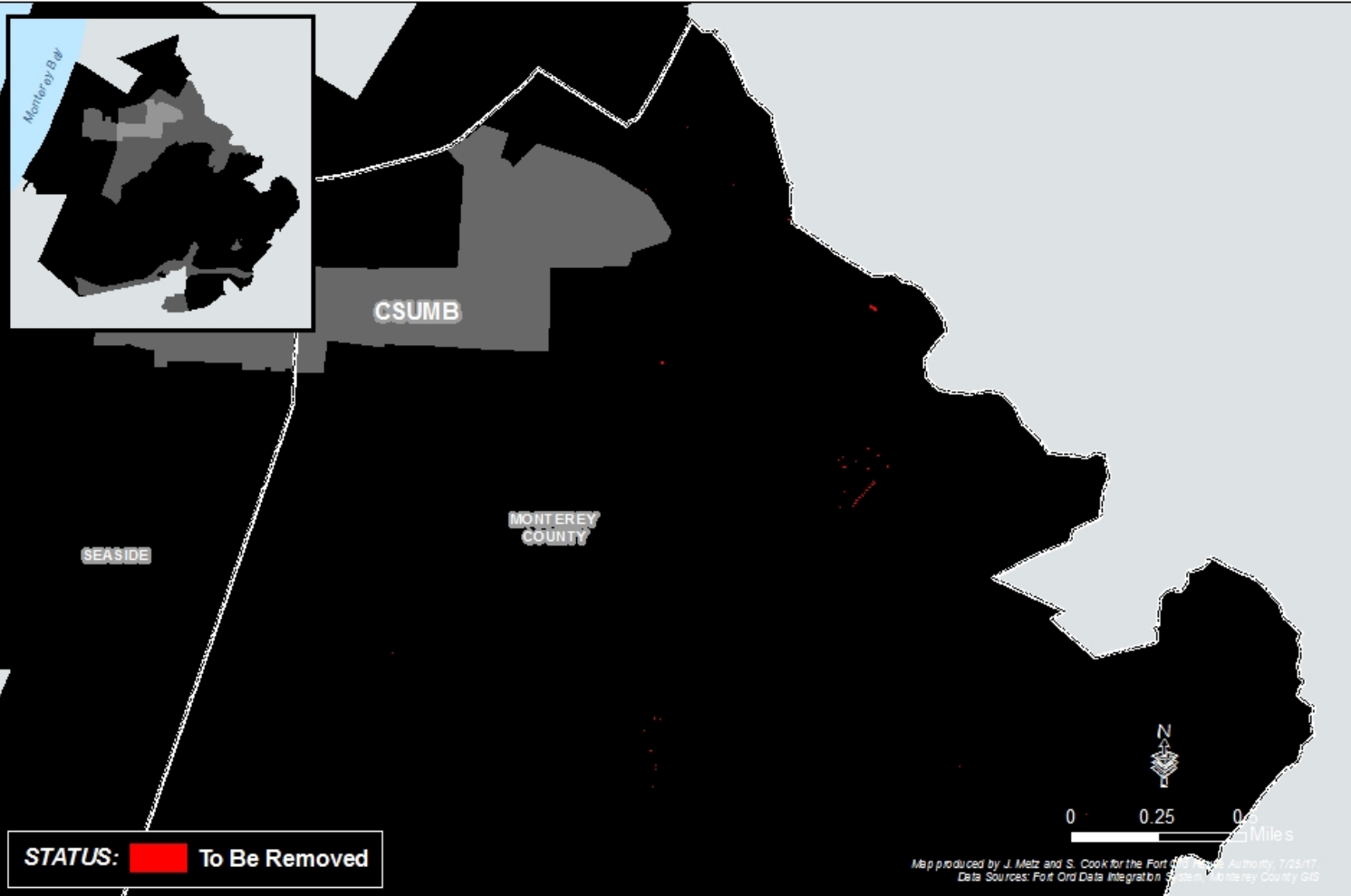
# Building Removal Status - County



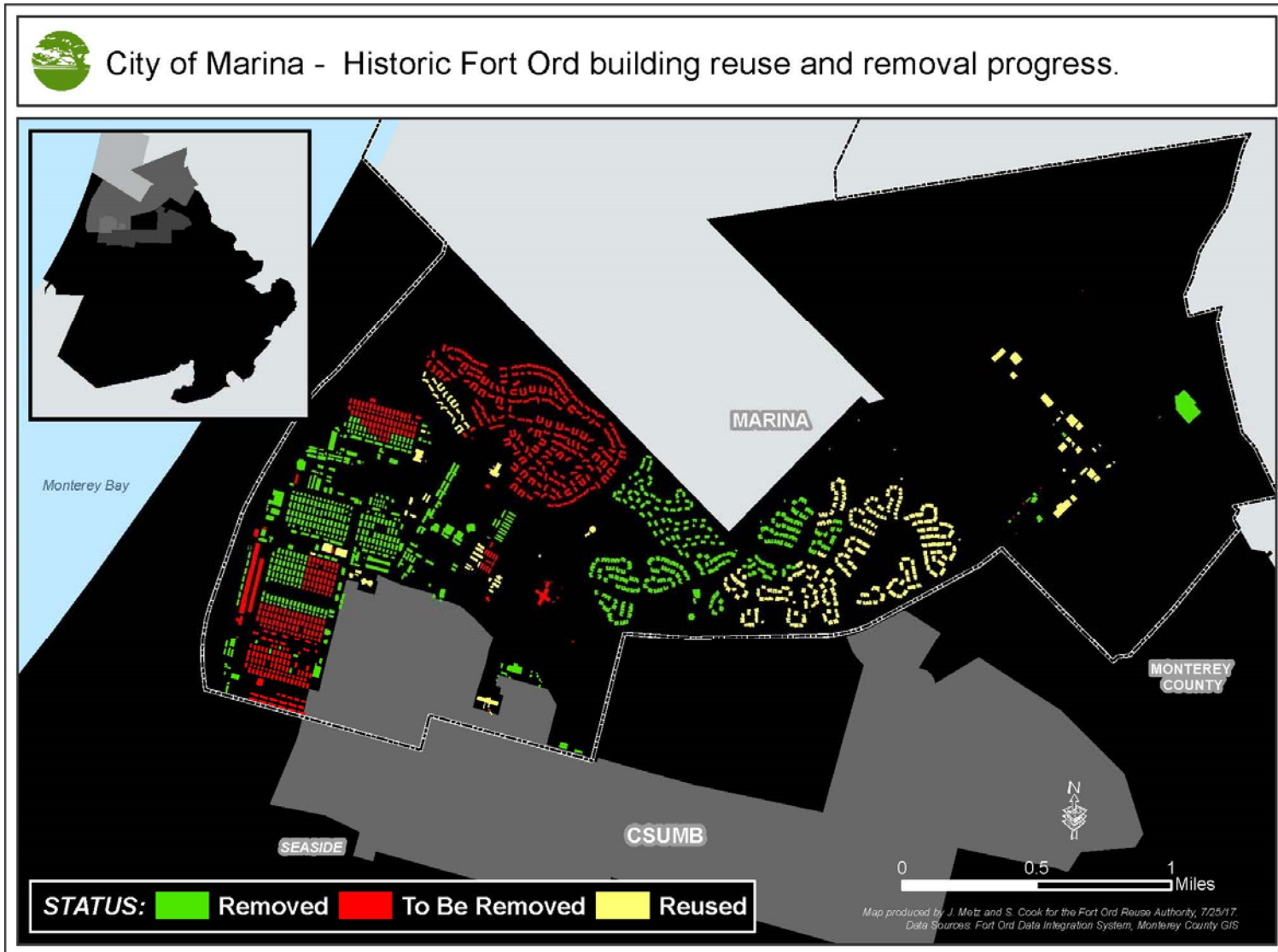
# Building Removal Status - County



Monterey County - Historic Fort Ord building reuse and removal progress.

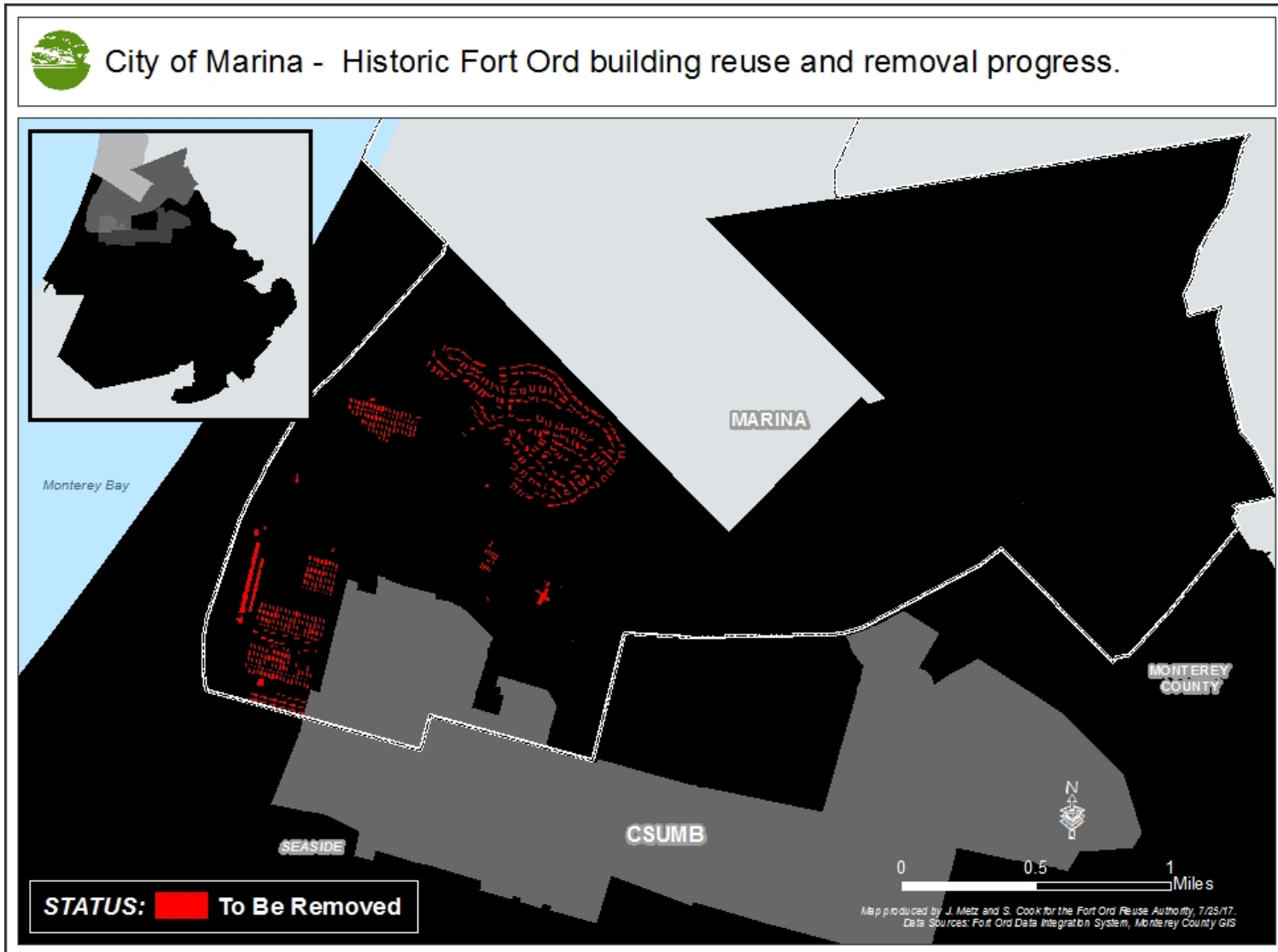


# Building Removal Status - Marina

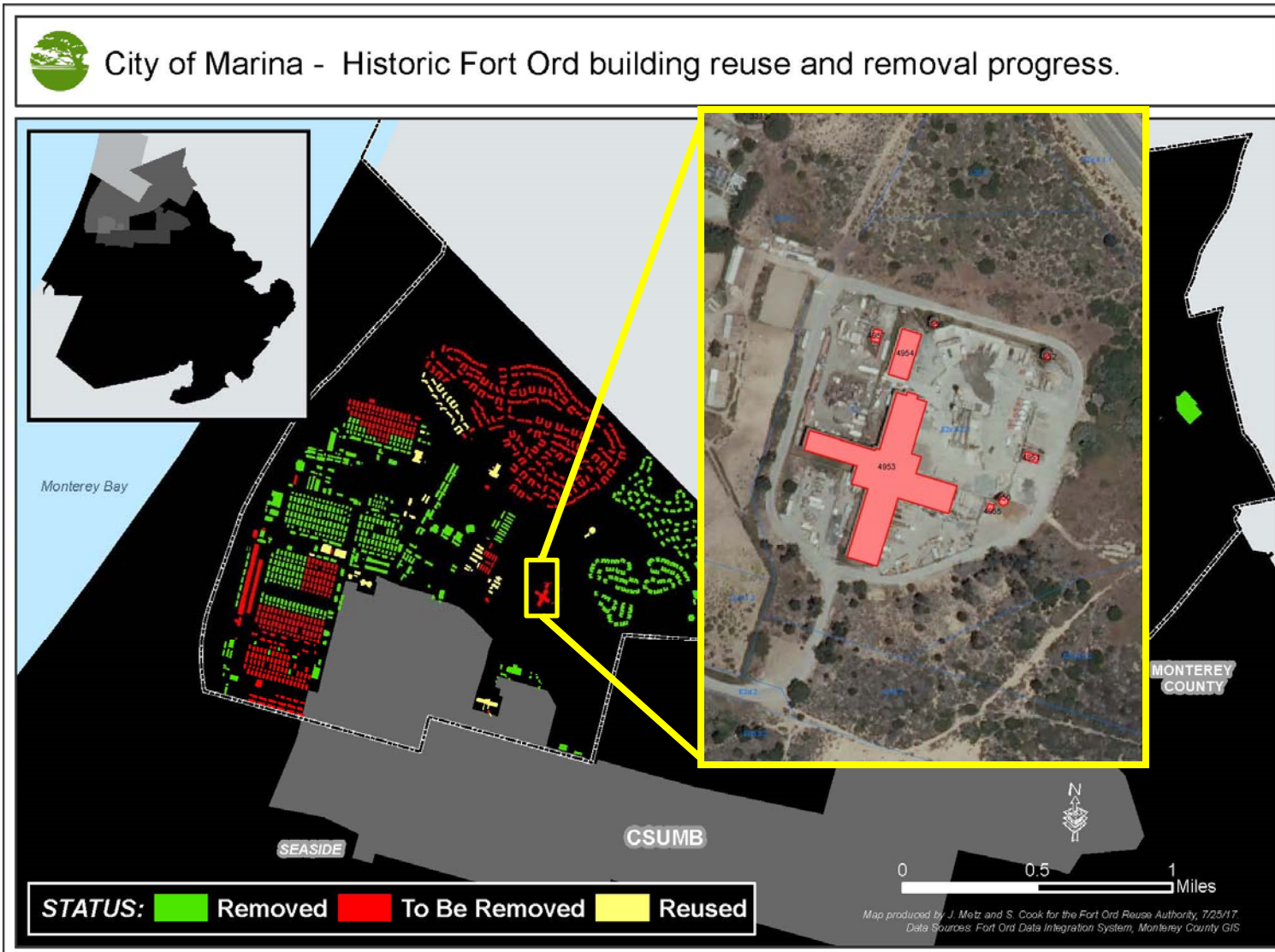




# Building Removal Status - Marina

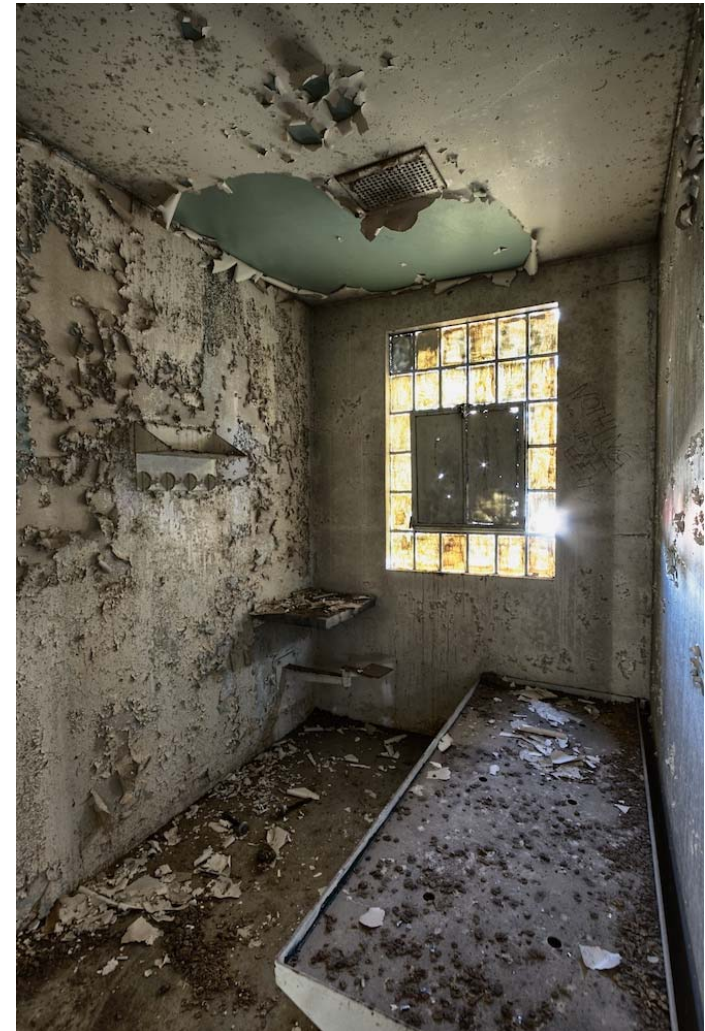


# Stockade (Marina)



# Stockade Status

- **Recent Progress**
  - Marina Coordination
  - Industrial Hygienist surveys complete
- **Next Steps**
  - Review HazMat Surveys
  - Engineer Removal Estimate
  - Solicit Removal Contractor(s)
  - Target Summer 2018

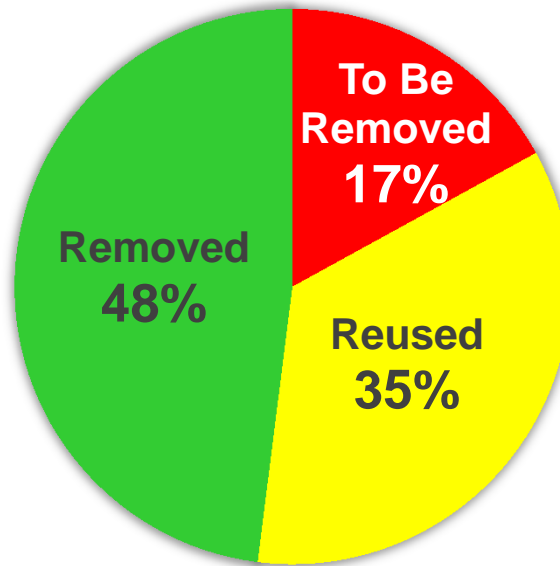


# Remaining Buildings



Marina	Remaining	FORA Supported
Cypress Knolls	232	0
Stockade - \$2.1M FORA	7	7
Dunes - \$19.4M FORA – Land Sales	338	338
TAMC/MST	5	0
<b>Sub-Total</b>	<b>581</b>	<b>345</b>
<b>County</b>		
Ammo Supply Point	24	0
<b>Seaside</b>		
Surplus II - \$5.5M FORA	27	17
<b>Total Remaining Buildings</b>	<b>633</b>	<b>362</b>

# Reuse/Removal Obligation Status



FORA \$54.4M (Half of Land Sales)		
Marina	Seaside	Mo Co
Marina \$24M + \$22M credit	Seaside \$ 0.1M Building 4470	Mo Co \$2.2M credit
\$2.1M Stockade <i>(in progress)</i>	\$5.5M Surplus II <i>(in progress)</i>	

Jurisdictions (Half of Land Sales)		
Marina	Seaside	Mo Co
Marina Heights	Seaside Highlands	Historic Buildings
Dunes, Rec. Parcel, Cypress Knolls	Surplus II	Non- historic Buildings

CSUMB (CSUMB Trustees)
Motor Pool, barracks, metal Buildings
\$30M Hammerheads <i>(in progress)</i>

## How is Building Removal Funded?



# CIP Funding Mechanisms

**1998-2005** FORA Board established policies to fund BRP mitigations and building removal.

- *50% Land Sale/Lease*

Land Sales fund FORA obligations/mitigations

Building Removal

- *Mello Roos District (CFD)*

Fort Ord Development funds BRP CEQA mitigations

Transportation  
/ Transit

Habitat  
Mgt.

Water  
Aug.

## General Approach to funding building removal

- **Step 1: Appraise Property**
  - Assess comparable property values
- **Step 2: Determine Building Removal Cost**
  - HazMat Survey
  - Engineers' estimate
  - Developer/jurisdiction's estimate
- **Step 3: Establish Sales Price / FMV**
  - Appraise property value
  - Subtract building removal cost from value
  - Establish land sales / FMV price
  - Developer building removal responsibility
- **Step 4: Receive FORA 50% of land sales proceeds**
  - FORA's share of land sale proceeds set aside for additional base wide building removal
  - Remnant land sale proceeds funds remaining CIP / operations

Property Value - \$100	
Building Removal - (\$50)	Net Land Price (\$50)
FORA 50% (\$25)	Juris. Revenue (\$25)



# Current Funding Policy

## Additional Support Approach

- **Establish FORA Support**
  - Policy decision on amount
  - Adjusted for inflation or set by Board policy / contract
  - Codified by agreement
  - Building removal concurrent with land sales income / project phasing

Property Value - \$100	
FORA 50%	Jurisdiction 50%

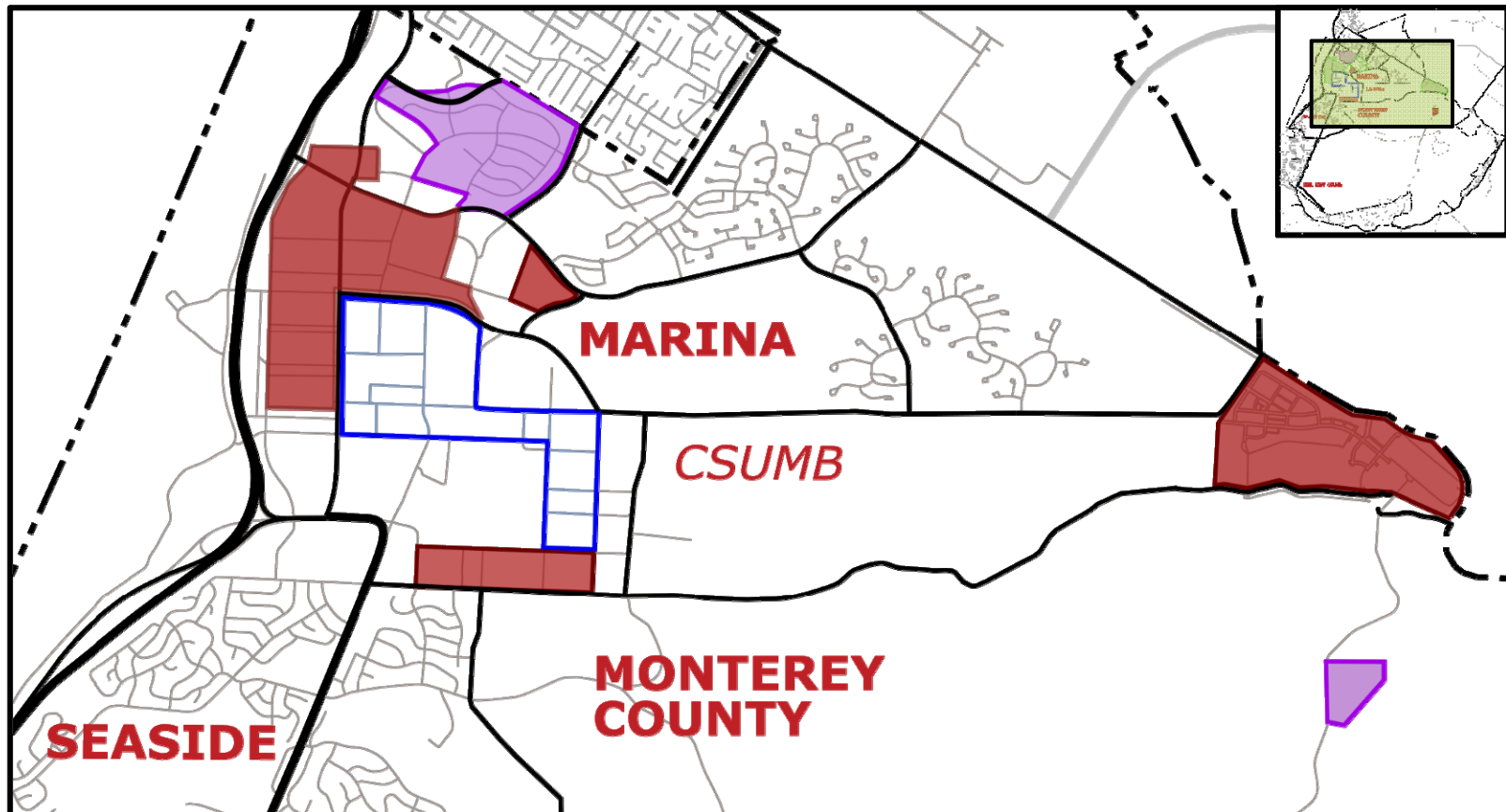
Building Removal Cost - \$100	
FORA 50%	Special Support

# Building Removal Areas

*Blue – CSUMB: State Funded Building Removal*

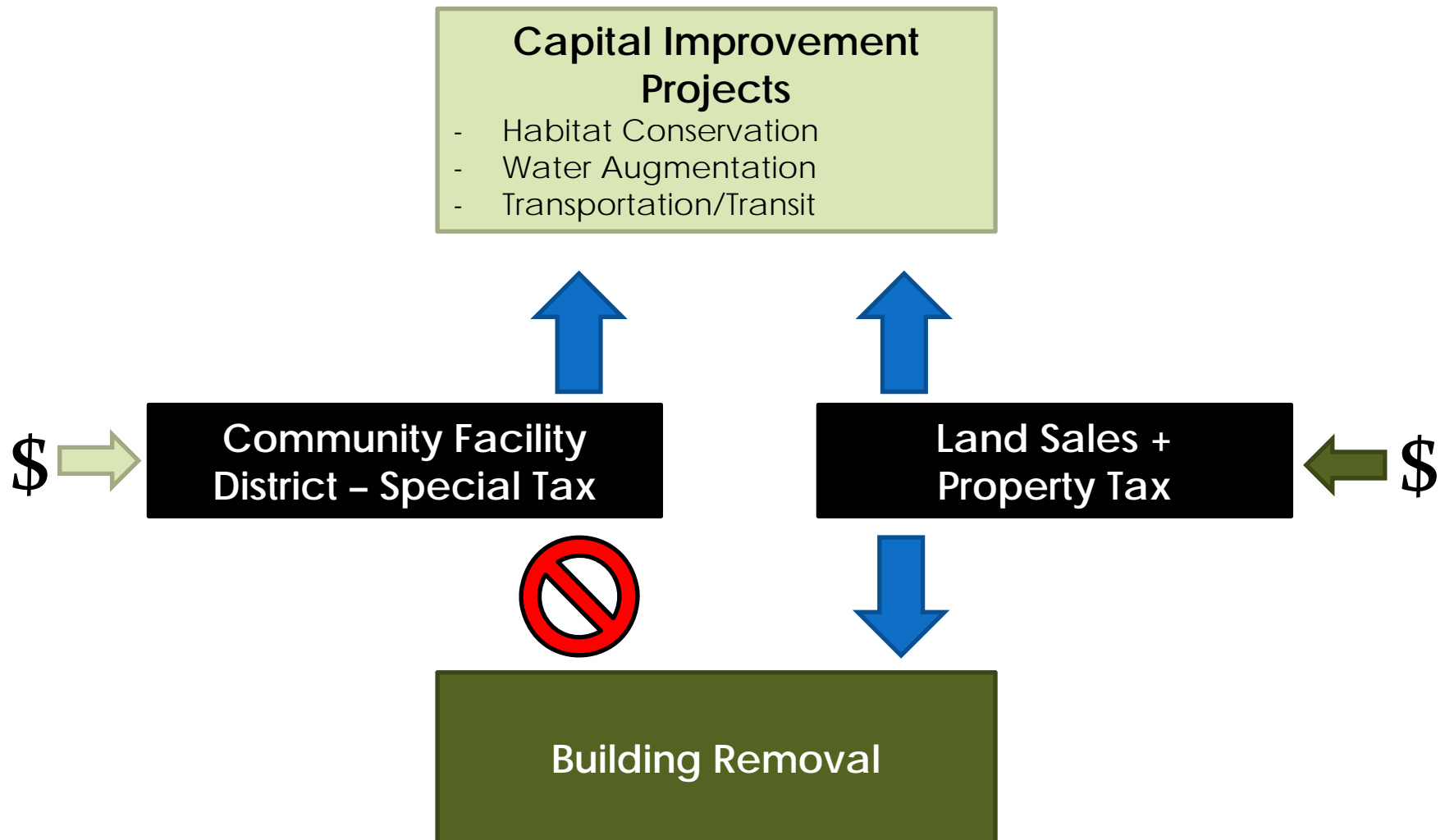
*Red – FORA: Special Support – FORA CIP*

*Purple – Developer: General Approach – Sales Price Reduction*



- **FORA CFD created in 2002**
  - *Mello Roos law excluded building removal*
  - *2007 Mello Roos amendment may allow future CFDs to fund building/hazmat remediation*
- **Building removal loans face challenges**
  - *Lenders are risk averse, seeking collateral*
- **Brownfields funding challenge**
  - *Fort Ord listed as a superfund site, not eligible*

# Fund Movement



## Board approved additional support

- Step 1: Property valued at: \$48M
- Step 2: Established building removal cost \$46M
  - Building removal concurrent with project phasing
  - Most buildings WWII barracks
- Step 3: Establish sales price \$24M (Marina) and \$24M (FORA building removal credit)
  - Developer building removal responsibility
  - Set process for FORA reimbursements
- Step 4: Establish FORA Support: Reimbursement Agreement - \$22M in Cash and \$24M in land sales credits
  - Building removal concurrent with project phasing
  - Phase I: FORA paid \$22M cash for building removal
  - Phase I: FORA funded over 50% of building removal
  - Phase II & III: FORA provides land sales credit for remaining building removal

2005 Property Value - \$48M	
FORA 50% (\$24M)	Marina 50% \$24M

2005 Building Removal Cost - \$46M	
FORA 50% \$24M	FORA PAID CASH \$22M

# East Garrison Agreement

## Board approved additional support

Property Value \$1.5M	
Net Land Price <b>\$1.5M</b>	
FORA 50% <b>(\$750K)</b>	County 50% <b>\$750K</b>

2006 Building Removal Cost - \$2,177,000	
FORA 50% <b>(\$750K)</b>	Future FORA Land sales credits <b>\$1.4M</b>

- Step 1: Property valued at: \$1.5M plus participation payments
- Step 2: Established building removal cost \$2.177M
  - WWII era buildings
- Step 3: Establish sales price \$750K (County) and \$750K (FORA building removal credit)
  - Developer building removal responsibility
  - Set process for FORA reimbursements
- Step 4: Establish FORA Support: Agreement - \$2.177M in land sales credits
  - Building removal concurrent with project phasing

# Remaining: Seaside



Step 1	Appraised Value (2014)	\$8.7M
Step 2	Estimated Building Removal Cost	\$19M
Step 3	Net Land Value	-\$10.3M
Step 4	Pending	

## • Surplus II

- 27 concrete buildings on approximately 50 acres
- 50 acres of Economic Development Conveyance property
- Seaside-KB/Bakewell Exclusive Negotiating Agreement
- Surplus II appraised value = **\$8.7 million (Step 1)**
- Estimated building removal cost = **\$19 million (Step 2)**
- Net land value = **-\$10.3 million (Step 3)**
- *Step 4 pending*

## • Building Removal Obligation History

- 2005: FORA Obligation set at **\$4 million**
  - Jurisdiction projected rehab building use
- 2017: FORA funding obligation indexed to **\$5.5 million**

# Remaining: Marina



- **Stockade**
  - Former military stockade
  - 7 total buildings
  - 13.4 acres of Economic Development Conveyance Property
  - FORA obligation estimated **\$2.1million**
- **Building Removal Obligation History**
  - 2005: Board approved additional support (CIP)
  - Current focus of Staff/Contractor work



- 1. Eliminate Building Reuse Hierarchy**
  - a. Building reuse not economically feasible*
- 2. Adjust Building Removal Funding**
  - a. Increase additional support for building removal*
- 3. Seek disposal variance & related State waivers**  
from California Department of Toxic Substances Control (DTSC)
- 4. Utilize hazardous waste generator designation**
  - a. Limits jurisdiction's risk*
  - b. Dependent on FORA extension*

## Con

- Increased land sales fund allocation for building removal
  - Would drive FORA CFD/ Development Fee increase

## Pro

- Faster building removal could speed up economic recovery

## *Ideas* for building removal strategies

- **Bond Future Property Tax Revenues**
- **Establish Building Removal Revolving Fund**
- **Assign More Land Sales to Building Removal**
- **Building Removal necessary for CIP transportation project (2<sup>nd</sup> Ave/Del Monte Extension)**

# Questions?

